

# House Study Bill 652

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON VAN FOSSEN)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act exempting certain capital gains from taxation under the  
2 individual income tax and including an effective and  
3 retroactive applicability date provision.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 5604YC 81  
6 mg/cf/24

PAG LIN

1 1 Section 1. Section 422.7, Code Supplement 2005, is amended  
1 2 by adding the following new subsection:  
1 3 NEW SUBSECTION. 21A. Subtract, to the extent not  
1 4 otherwise excluded in determining federal adjusted gross  
1 5 income or deducted under subsection 21, the capital gain on  
1 6 the sale of tangible personal property or real property which  
1 7 was owned by the taxpayer for a period of thirty-six months or  
1 8 more from the date of acquisition and was owned by the  
1 9 taxpayer as a capital asset.  
1 10 Sec. 2. EFFECTIVE AND RETROACTIVE APPLICABILITY DATE.  
1 11 This Act, being deemed of immediate importance, takes effect  
1 12 upon enactment and applies retroactively to January 1, 2006,  
1 13 for sales of capital assets during tax years beginning on or  
1 14 after that date.  
1 15 EXPLANATION  
1 16 This bill provides for an exemption of the capital gain  
1 17 from the sale of tangible personal property and real property  
1 18 owned by the taxpayer for 36 months or longer.  
1 19 The bill takes effect upon enactment and is applicable  
1 20 beginning with sales made in the 2006 tax year.  
1 21 LSB 5604YC 81  
1 22 mg:rj/cf/24